CHAPTER 2

Key issues

2.1 The equilibrium between rights and responsibilities is a hallmark of Australia's social security system, wherein job seekers are expected to comply with mutual obligation requirements in order to receive a participation payment. These requirements include demonstrating that they are actively pursuing and willing to undertake suitable paid work, as well as attending scheduled appointments with an employment services provider.[1]

2.2 This principle of mutual obligation is a long-standing feature of Australia's welfare system and enjoys wide support:

> It provides an important signal to benefit recipients that the financial support that the community provides comes with an expectation that those who are able to work actively pursue work.[2]

2.3 As set out in chapter 1 of this report, successive governments have sought to encourage job seekers to engage with the system and boost job seeker compliance rates, with limited success. As advised by the Department of Employment, more than twenty per cent of job seekers failed to attend one or more appointments with their employment services provider in 2013–14, and did not provide a reasonable excuse for their non-attendance.[3]

2.4 The Social Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014 (the bill) seeks to improve compliance rates and, at the same time, ensure that proper safeguards are in place when people miss appointments for legitimate reasons.

2.5 Key aspects of the bill, and concerns raised by submitters, are outlined in this chapter.

Who is affected by the bill?

2.6 The majority of job seekers comply with their mutual obligation requirements and as a result are not affected by the compliance framework. Data supplied by the Department of Employment indicates that younger job seekers are most likely to be affected by changes outlined in the bill. As a group, young men are particularly likely to come into contact with the compliance framework:

---

1 See Bill's Digest No. 46, 2014–15, 29 October 2014, available at: http://parlinfo.aph.gov.au/parlInfo/download/legislation/billsdgs/3475383/upload_binary/3475383.pdf;fileType=application/pdf (accessed 17 November 2014).

2 Jobs Australia, *Submission 3*, p. 4.

3 Department of Employment, *Submission 5*, pp 1–2.

> Participation failure rates for young male job seekers for not attending appointments are higher than for young females. While males under 30 made up only 18.7 per cent of the total activity tested job seeker population, they made up 34 per cent of job seekers who incurred at least one participation failure for not attending an appointment in 2013-14. In comparison, females under 30 made up 13.7 per cent of the job seeker population and 19 per cent of job seekers who had incurred at least one participation failure for not attending an appointment. Males under 30 are also more likely to persistently fail to meet their requirements, and in 2013-14 they incurred 55 per cent of serious failures for persistent non-compliance.[4]

2.7 At the other end of the scale, Principal Carer Parents are, as a cohort, least likely to be affected due to their very high compliance rates:

> While they represented 19 per cent of the total activity tested job seeker population in 2013-14 they made up only 10 per cent of job seekers who had incurred at least one participation failure for not attending an appointment.[5]

2.8 It is therefore fair to say that, as put by the Department of Employment, the measures contained in the bill are 'needed to address the high rate of appointment-related non-compliance among young, primarily male, job seekers.'[6]

Strengthening the compliance framework

2.9 Regulations currently in place generally require job seekers to attend a scheduled appointment with their employment services provider at least once per month. Failure to attend may result in income support payments being suspended until the individual in question agrees to a rescheduled (reconnection) appointment. The system therefore has a major flaw, as identified by the Department of Employment:

> [It] means that a person can say they will attend a reconnection appointment without any real intention of doing so but still have their payment reinstated on that basis.[7]

2.10 Under the proposed legislation, from 1 January 2015 payment suspensions following a failure to attend would instead be lifted only when job seekers actually attend their reconnection appointment. At this point they would also receive full back pay. In effect, the proposed measures would incentivise people to maintain regular attendance and promptly make reconnection appointments when they miss a meeting with their employment services provider. To ensure fairness, the bill contains safeguards for people with a reasonable excuse for non-attendance. These safeguards are discussed later in this chapter.

---

4 Department of Employment, *Submission 5*, p. 3.

5 Department of Employment, *Submission 5*, p. 3.

6 Department of Employment, *Submission 5*, p. 3.

7 Department of Employment, *Submission 5*, p. 1.

Striking the right balance

2.11 A submission from National Welfare Rights Network (NWRN) enunciated what any legislation governing the system should seek to achieve:

> In our view the key to legislating a social security compliance system is to strike the right balance between supporting people to engage to the best of their ability and penalising them for failing to do so. A compliance system which is both reasonable and proportionate is most likely to strike this balance.[8]

2.12 The National Employment Services Association (NESA) suggested that the current system may not do enough to close loopholes and is able to be exploited by people who have no intention of meeting their mutual obligation requirements:

> Historically, members have reported that it is common practice for frequently non-compliant job seekers to agree to attend an appointment in order to remove any financial penalty, while having limited intention of actually participating in service. Ensuring that job seekers actually re-engage with service before lifting their payment suspension is likely to curb some of this behaviour, and increase attendance for many job seekers.[9]

2.13 NWRN acknowledged that the government intends that the penalties for non-attendance will be 'relatively small'.[10]

2.14 NESA added that, under the proposed legislation, job seekers would have up to two days to attend a reconnection appointment. This, NESA submitted, means that 'the likely impact on job seeker payments is small as the opportunity for payment reinstatement can and should occur quickly where the job seeker engages.'[11]

2.15 General consensus from employment services, NESA concluded, is that the bill will 'provide a greater financial incentive for job seekers to engage and remain engaged with their provider.'[12]

2.16 Other submitters, such as the St Vincent de Paul Society, questioned the need for the bill and its potential to improve outcomes for unemployed people:

> There is no convincing evidence that missed appointments are a wide-reaching problem in the job-seeking system, as opposed to being an issue affecting only particular groups of jobseekers. If this is the case, then this Bill is using a hammer to crack a walnut. Secondly, there is no evidence that removing payments will get people into jobs. It will not provide any incentive for people who are unaware that they have missed an appointment, for example. Finally, it does not address the deep problems in the job services available to applicants. We believe that these services must

---

8 National Welfare Rights Network, *Submission 1*, p. 5.

9 National Employment Services Association, *Submission 6*, p. 3.

10 National Welfare Rights Network, *Submission 1*, p. 5.

11 National Employment Services Association, *Submission 6*, p. 3.

12 National Employment Services Association, *Submission 6*, p. 3.

> be focussed on the individual and their needs, rather than the current one-size-fits all approach.[13]

Start date for penalties

2.17 Some submitters were of the view that penalties should be imposed only once a person has been notified of their failure to attend a scheduled appointment, rather than from the time of the missed appointment. Applying a penalty from the day of the missed appointment, the NWRN stated, risks punitive action against people who possibly missed an appointment without realising. The alternative approach, the NWRN added, would also 'ensure that a person is not penalised for any delay or failure in the notification process.'[14]

2.18 Indigenous Australians living in remote communities may be particularly affected by problems with notification and reconnection processes.[15] Data quoted by the NWRN indicates that Indigenous job seekers are over-represented in the cohort of job seekers subject to penalties for non-compliance:

> Aboriginal job seekers are subject to financial penalties to a much greater extent than non-Indigenous job seekers. Despite totalling 10% of job seekers in 2012 to 2013 , Aboriginal job seekers accounted for 28% of all financial penalties imposed, 30% of smaller financial penalties imposed, and 34% of serious failures for 'serious non - compliance' imposed.[16]

2.19 This, the NWRN put to the committee, illustrates the need for additional safeguards to be included in the bill, such as:

- a first warning suspension;
- a revised penalty starting date; and
- legislative protections from payment suspensions where reconnection appointments cannot be made within two days.[17]

2.20 The Department of Employment addressed concerns about the treatment of job seekers who miss appointments without realising they have done so. Mr Martin Hehir, Deputy Secretary, explained that in such cases providers assume initial responsibility for contacting the job seeker and rectifying the situation:

> Providers are required to attempt to make contact with job seekers on the same day as the missed appointment. Where providers are unable to make contact with the job seeker following a missed appointment, income support payment suspension is the best tool to alert these job seekers that they need to re-engage with employment services. Once they re-engage, if it turns out they were genuinely unaware of their appointment, their income

13 St Vincent de Paul Society, *Submission 9*, p. 3.

14 National Welfare Rights Network, *Submission 1*, p. 8.

15 National Welfare Rights Network, *Submission 1*, pp 10–11.

16 National Welfare Rights Network, *Submission 1*, p. 10.

17 National Welfare Rights Network, *Submission 1*, p. 4.

> support payment will be restored with back pay and they will not be penalised.[18]

2.21 Mr Hehir further assured the committee that safeguards are already in place to protect vulnerable people, as discussed later in this chapter, and they do work.[19]

Options for reconnection

2.22 The committee heard from witnesses who highlighted the difficulties many job seekers face in meeting their mutual obligation requirements. The Australian Council of Trade Unions (ACTU), discussed why a considerable percentage of job seekers miss appointments:

> It is a tricky question, and you are right: there is a relatively high rate of nonattendance—I think it is about 35 percent. As we said earlier, there are a range of complex reasons why this would occur, including public transport issues but also health issues. These people are already really struggling. They find it difficult. When they are under extreme financial duress, things, which you or I might find relatively simple, become much more difficult. If one thing goes wrong in their day, the rest of the day goes wrong—they might find there are delays with various appointments they need to attend.[20]

2.23 The ACTU added that many people may need to travel some distance to get to their local employment services provider, and posited that non-attendance might be better addressed through other means:

> In order to meet these requirements, there could be more telephone appointments or a little bit more flexibility in how those appointments are met. I think telephone appointments would certainly go a long way to ensuring that people are able to touch base with their provider without necessarily needing to travel into meet them.[21]

2.24 The committee notes, however, that making a reconnection appointment is not hard. In fact, as explained by the Department of Employment, since 15 September 2014 providers have been taking the initiative in contacting job seekers after missed appointments, and this has had a tremendously positive effect:

> From 15 September until the end of October, weekly attendance rates rose as high as 75 per cent. While it is too early for definitive results, it does look as though having providers take responsibility for re-engaging job seekers is having a positive effect, possibly due to the existing connection that providers have with the job seeker, enabling them to better educate job

---

18 Mr Martin Hehir, Deputy Secretary, Department of Employment, *Proof Committee Hansard*, 18 November 2014, pp 6–7.

19 Mr Martin Hehir, Deputy Secretary, Department of Employment, *Proof Committee Hansard*, 18 November 2014, p. 7.

20 Ms Cassandra Devine, Policy and Research Officer, Australian Council of Trade Unions, *Proof Committee Hansard*, 18 November 2014, p. 3.

21 Ms Cassandra Devine, Policy and Research Officer, Australian Council of Trade Unions, *Proof Committee Hansard*, 18 November 2014, p. 3.

> seekers about their mutual obligations. This increased role of providers in the re-engagement process will continue and forms an important component of strengthening the job seeker compliance framework.[22]

2.25 The committee was particularly concerned about youth unemployment, and barriers young job seekers might face in engaging with their employment services provider, such as not always having mobile phone credit. The Department of Human Services addressed these concerns, explaining that a range of options exist for people in these and similar circumstances:

> There is a toll free number, but also we have many other options. For example, there is a service we have which is called place in queue. What it means is that if they register for that service when they ring that is recorded and we ring them back at a time so that they do not have to sit there waiting.[23]

Committee view

2.26 On the weight of evidence, the committee is persuaded that job seekers have a range of options and avenues available to help them stay engaged with the system. The committee received no compelling evidence to suggest that most people who miss appointments with their employment services provider face obstacles to reconnection which are anything but easily surmountable.

Reasonable excuse

2.27 This bill seeks to further strengthen the job seeker compliance system by imposing a penalty of no back pay where a job seeker does not have a reasonable excuse for missing a scheduled appointment.[24]

> From 1 July 2015, job seekers who miss appointments without giving prior notice of a reasonable excuse may lose ten per cent of their fortnightly income support payment for each working day from when they fail to attend until they attend a rescheduled appointment. A single job seeker aged 22 or over with no dependents would lose $51.56 for each working day. This provides a stronger but proportionate deterrent to non-compliance. Those who miss an appointment but who have a reasonable excuse will still just have their income support payment suspended, with full back pay upon attendance, whereas those who do so without a reasonable excuse will actually lose some income support payment.[25]

---

22 Mr Martin Hehir, Deputy Secretary, Department of Employment, *Proof Committee Hansard*, 18 November 2014, p. 6.

23 Ms Malisa Golightly, Deputy Secretary, Social Services Group, Department of Human Services, *Proof Committee Hansard*, 18 November 2014, p. 14.

24 Social Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014, Schedule 1, Part 2, Item 22.

25 Department of Employment, *Submission 5*, p. 4.

2.28 NWRN acknowledged the government's inclusion of the reasonable excuse safeguard in the bill, however, argued that the bill should set out, without limitation, circumstances where the discretion may be applied.[26]

2.29 In contrast, the Department of Employment submitted that 'reasonable excuse' is not defined in legislation to ensure the decision-maker's discretion is not limited. The Department of Employment explained:

> [T]he policy intention is that if the circumstances that resulted in the job seeker's failure to comply were either unforeseeable or outside the job seeker's control the job seeker will generally be taken to have a reasonable excuse. As is currently the case, job seekers who are unable to attend an appointment but give prior notice of a reasonable excuse for not attending (when it is reasonable to expect them to do so) will not be penalised under this Bill.[27]

2.30 The Department of Employment emphasised that the factors the Department of Human Services can take into account in determining whether a job seeker had a reasonable excuse for failing to meet a participation obligation is in no way limited:

> The definition of reasonable excuse included in policy guidelines covers a wide range of potential circumstances including, but not limited to, where a job seeker was working, was incapacitated due to illness or injury, had unexpected transport difficulties, had a death in the family or had unforeseen caring responsibilities, such as needing to look after a sick child. Broader aspects of the job seeker's circumstances are also taken into account, such as any mental health or substance abuse issues, homelessness and literacy problems, where these may have impacted on the job seeker's capacity to comply.[28]

2.31 In evidence before the committee the Department of Employment offered a range of examples where a reasonable excuse would be considered to be acceptable. They included:

> unforseen caring responsibilities, if the person was subjected to domestic violence, or if they were ill, incapacitated and unable to attend [a scheduled appointment].[29]

Vulnerable job seekers

2.32 Some submitters also examined the proposed reasonable excuse provisions' potential impact on vulnerable job seeker cohorts.[30] For example, St Vincent de Paul contended that the reasonable excuse provisions in the bill created a high risk of

---

26 National Welfare Rights Network, *Submission 1*, p. 7.

27 Department of Employment, *Submission 5*, p. 5.

28 Department of Employment, *Submission 5*, p. 5.

29 Ms Moya Drayton, Manager, Department of Employment, *Proof Committee Hansard*, 18 November 2014, p. 8.

30 See Jobs Australia, *Submission 3*, p. 8; St Vincent de Paul Society, *Submission 9*, pp 3–4.

unintended consequences for Aboriginal and Torres Strait Islander (ATSI) job seekers:

> … 22% of appointments missed are with Indigenous Australians, but a total of 30% of all appointments are scheduled with Indigenous Australians, then Indigenous Australians miss comparatively fewer appointments than non-Indigenous. On the other hand, if only 10% of appointments are scheduled with Indigenous Australians, and 22% of all appointments missed are with this group, then ATSI people are quite clearly going to be more negatively impacted by this Bill than non-ATSI people.[31]

2.33 The committee notes that there is currently a 'vulnerability indicator'[32] mechanism in place to identify vulnerable jobseekers and that this bill will not remove, weaken or change this mechanism. The committee also notes that this mechanism has proven to be effective because jobseekers with a vulnerability indicator comprise only a small proportion of those jobseekers who incur penalties for non-compliance.

> Data indicates that job seekers with Vulnerability Indicators have a poorer attendance rate than the general job seeker population (62 per cent compared to 65 per cent) and are more likely to be reported for non-compliance (42 per cent had at least one participation report requiring investigation by Human Services in 2013-2014, compared to 32 per cent of the general population). However, they are no more likely than other job seekers to incur participation failures for non-attendance at appointments (representing around 14 percent of the job seeker caseload and a similar proportion of job seekers who incurred one or more failure for non-attendance in 2013-14).[33]

2.34 The committee also notes that this bill will have no effect on the current safeguards that exist to protect vulnerable job seekers.[34] In evidence before the committee the Department of Employment explained that:

> [job seekers'] personal circumstances will always be taken into account by DHS [Department of Human Services] when deciding whether they have a reasonable excuse for attending their appointment. These safeguards work. While vulnerable job seekers have a poorer attendance rate than the general job seeker population and are more likely to be reported for noncompliance,

---

31 St Vincent de Paul Society, *Submission 9*, pp 3–4.

32 A Vulnerable Indicator will be placed on a jobseeker's record where the Secretary has made a determination that a person is experiencing financial exploitation or hardship, or homelessness or a risk of homelessness. See Social Security (Administration) (Vulnerable Welfare Payment Recipient) Principles 2010; Explanatory Statement, Social Security (Administration) (Vulnerable Welfare Payment Recipient) Principles 2010, p. 2.

33 Department of Employment, *Submission 5*, p. 5.

34 Mr Martin Hehir, Deputy Secretary, Department of Employment, *Proof Committee Hansard*, 18 November 2014, p. 7.

> they are no more likely than other job seekers to be penalised for non-attendance at appointments.[35]

2.35 In the context of the need for a penalty of no back pay where a job seeker does not have a reasonable excuse for missing a scheduled appointment, Jobs Australia considered the potential risk of genuine job seekers being caught and penalised:[36]

> The addition of a 'no excuse, no backpay' provision seems to be intended to create a deterrent effect, such that job seekers will ensure they turn up to the first appointment to avoid the risk of losing a portion of their payment. This assumes that the job seekers who miss appointments are making some sort of calculated analysis of the sanctioning regime, so that they can do the minimum required of them to continue receiving payments. Jobs Australia is not aware of any evidence that this is the case. Moreover, if any job seekers are actually making such a calculated assessment, they will likely respond to a change in the rules and continue to 'jump through the hoops' to ensure they comply[37].

2.36 The Department of Employment advised that job service providers will retain the discretion they currently hold about whether to report a job seeker's non-attendance to the Department of Human Services:

> Even where job seekers fail to attend an appointment without giving a valid reason, providers have the discretion to not take this any further if they believe it will not help in ensuring the job seeker's future attendance. In 2013-14, there were 1,274,822 appointments missed by job seekers without a reasonable excuse that were not reported to Human Services by providers. This represents 29 per cent of all missed appointments.[38]

2.37 The Department of Employment further explained that:

> After the income support payment suspension is put in place, if the job seeker comes to me, the employment service provider, and gives me a good reason why the income support payment suspension should be lifted, then, yes, the provider can come to a view and make that beneficial decision. But the non-beneficial decisions—if a reasonable excuse did not exist and a financial penalty ought be applied—does not sit with the employment service provider. Those decisions sit with DHS.[39]

---

35 Mr Martin Hehir, Deputy Secretary, Department of Employment, *Proof Committee Hansard*, 18 November 2014, p. 7.

36 Jobs Australia, *Submission 3*, p. 8.

37 Jobs Australia, *Submission 3*, p. 8.

38 Department of Employment, *Submission 5*, p. 5.

39 Mr Derek Stiller, Branch Manager, Department of Employment, *Proof Committee Hansard*, 18 November 2014, p. 9.

Committee view

2.38 The committee notes the concerns raised by witnesses and submitters. However, the committee also notes that the bill will only impact the small proportion of job seekers who have wilfully failed to attend an appointment with their job service provider without a reasonable excuse.

2.39 The committee considers that the measures proposed in the bill will be an effective deterrent to non-compliance. The committee is also satisfied appropriate safeguards exist such that no penalty will be applied for a failure that was directly attributable to a job seeker's vulnerability.

2.40 The committee is persuaded that, on balance, the legislative response is proportional and reasonable, such that the proposed amendments address community expectations and would improve job seekers' attendance at employment services provider appointments.

Mature-age job seekers

2.41 The system as it stands is inconsistent in its treatment of job seekers.

2.42 Currently, job seekers who are 55 years old or over can satisfy requirements by doing 15 hours per week of either approved voluntary or paid work, or a combination of both. Younger job seekers are subject to the additional requirement of looking for work or other activities in addition to part-time paid or voluntary work.[40]

2.43 Recognising modern realities, the bill seeks to address this inconsistency:

> Given the aging workforce and the fact that most people aged 55 have many potentially productive years ahead of them, it is no longer acceptable for 55–59 year old job seekers to effectively retire on Newstart [Allowance] while undertaking a bit of voluntary or part-time work.[41]

2.44 Some submitters opposed bringing requirements for 55–59 year olds into line with those in place for younger job seekers. They argued that discrimination against older workers is pervasive in the Australian employment market:

> [N]early one in three unemployed people aged 45 years and over described their main obstacle to finding work as being considered too old by employers. Many too will have missed out on the higher education opportunities that are now a pre-requisite for many jobs – while 44% of Australians aged 25-34 had attained tertiary education in 2010, that number was only 30% for 55-64 year olds. From direct experience, our members tell us there is little to no viable opportunities for employment for this age group, due to employers' fear of workers' compensation claims and the erroneous belief that these older people are just past it.[42]

40 Department of Employment, *Submission 5*, p. 2.

41 Department of Employment, *Submission 5*, p. 2.

42 St Vincent de Paul Society, *Submission 9*, p. 7.

2.45 Others, such as the Australian Association of Social Workers (AASW), did not see any incentive for older workers to "retire on Newstart". As of March 2014, AASW pointed out, Newstart Allowance recipients received the equivalent of approximately 66 per cent of what was paid to pensioners:

> It is high unemployment rates among older Australians that cause older job seekers to stay on Newstart Allowance longer, not a desire to retire early.[43]

2.46 Having considered arguments put by submitters against the measures, the Department of Employment explained that requiring older job seekers to actively look for work delivers better outcomes:

> We are very aware that the great majority of job seekers, regardless of age, would rather be in full-time work and that many older job seekers have a particularly hard time finding work. However, outcomes data strongly supports the notion that requiring older job seekers to look for work is a key factor in helping these job seekers to find work and to reduce the reliance on income support. In 2013-14, 55- to 59-year-old job seekers with full-time requirements who were not required to look for work because of the current policy achieved only 174 employment outcomes, compared to 7,008 outcomes for 55- to 59-year-olds with full-time requirements who were required to look for work. Adjusted for the relative size of these cohorts, this means that 55- to 59-year-olds who were required to look for work were 13 times more likely to have found work or additional work during the year than those who were not required to look for work.[44]

Committee view

2.47 The committee recognises submitter concerns about the challenges faced by older workers, and is sensitive to the problem of pervasive discrimination. The challenges presented by discrimination, however, are not unique to older workers. There are many cohorts of people who would, and do, report facing discrimination when seeking employment. Although unsatisfactory, this alone does and should not exempt any of these cohorts from their obligation to engage with the system and is not a valid argument against making the requirements in place more consistent. The committee shares submitter concerns about discrimination, but does not believe that this inquiry is the appropriate forum for addressing this.

2.48 The committee is persuaded by evidence supplied by the Department of Employment which indicates that requiring older workers to actively seek employment actually helps deliver better outcomes for this cohort, as it does for all other job seekers.

Appeal rights

2.49 Under the proposed amendments, decisions to suspend a job seeker's participation payment for failing to attend a required appointment or participate in a

---

43 Australian Association of Social Workers, *Submission 2*, p. 4.

44 Mr Martin Hehir, Deputy Secretary, Department of Employment, *Proof Committee Hansard*, 18 November 2014, p. 7.

required activity will no longer be reviewable by the Secretary or the Social Security Appeals Tribunal.[45]

2.50 Some submitters questioned the justification for the proposed measures to restrict appeal rights in relation to compliance suspension decisions.[46]

> Parliament should require a powerful justification before agreeing to the removal of appeal rights. We agree that few people, once their payments are restored, would pursue an appeal against a suspension. However, we do not think that this warrants removal of the right to appeal against the suspension.[47]

2.51 Concerns were raised about the impact the removal of the availability of administrative review would have on the integrity of the jobseeker compliance system.[48]

> The denial of review rights reduces accountability in the system and may encourage less prudent decision-making. In practice, we would anticipate that very few people, if any, would bother to appeal a decision to suspend and the cost or other burden arising from appeals is likely to be negligible.[49]

2.52 St Vincent de Paul Society also emphasised the importance of an appeal mechanism where 'what is being decided is something as subjective as the "reasonableness" of the excuse.'[50]

2.53 In contrast, the government explained that the proposed changes to appeal rights will make it 'appreciably easier' for job seekers as they will be able to 'have their payment reinstated promptly by attending an appointment with their employment provider' as opposed to 'seek internal review or pursue an appeal to the Social Security Appeal Tribunal.'[51]

Technical details

2.54 Currently the *Social Security (Administration) Act 1999* restricts the Secretary's powers of delegation to social security law only. The bill proposes to extend the Secretary's powers of delegation to powers under regulations or other

---

45 Social Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014, Schedule 1, Part 1, Items 9–11.

46 See National Welfare Rights Network, *Submission 1*, p. 5; Jobs Australia, *Submission 3*, p. 7; Australian Council of Trade Unions, *Submission 8*, p. 5; St Vincent de Paul Society, *Submission 9*, p. 6.

47 National Welfare Rights Network, *Submission 1*, p. 5.

48 National Welfare Rights Network, *Submission 1*, p. 5; Jobs Australia, *Submission 3*, p. 7.

49 Jobs Australia, *Submission 3*, p. 7.

50 St Vincent de Paul, *Submission 9*, p. 6.

51 Explanatory Memorandum, Social Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014, p. 15.

instruments made under the social security law.[52] The government submits that the proposed amendment is necessary to enable secretarial powers relevant to the Job Commitment Bonus that will need to be exercised from 1 July 2015 by officers other than the Secretary.[53]

2.55 The committee is not aware of any concerns regarding the above measure.

Conclusion

2.56 Policymakers over the years have ensured that a system is in place to help job seekers in their efforts to re-enter the workforce, so that people are not expected to struggle alone and unsupported. While they look for work, job seekers are provided with support payments which allow them to maintain a dignified standard of living during what is a difficult, but hopefully short, time. As with many allowance payments in Australia's generous social security system though, the principle of reciprocity is a core element: that is, the expectation that a recipient must participate in activities as a condition of payment. These activities are not onerous, and are in fact proven to help individuals gain employment.

2.57 As outlined above, some submitters have focused on the impact and timing of penalties. Others have pointed out that the penalties are very small and every opportunity exists for people to reconnect with the system quickly, thereby ensuring that any financial impact is limited and reasonable. On the weight of evidence, the committee is confident that this is the case, and that proper safeguards are in place to protect vulnerable job seekers and those who do not wilfully avoid meeting their mutual obligation requirements.

2.58 Fundamentally, however, this bill is about preventing missed appointments in the first place. The proposed measures are designed to act as an incentive for those people who avoid engaging with the system, which is, in the long term, to their own detriment. The bill is not designed to penalise people who have legitimate reasons for missing appointments, and such job seekers are protected through a system of safeguards. This is an important distinction which must be made.

2.59 Having considered all evidence before it, the committee considers that this bill will help drive sustained improvement in attendance rates at provider appointments.

---

52 Social Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014, Schedule 2, Item 1. See *Social Security (Administration) Act 1999*, ss. 3(3).

53 Explanatory Memorandum, Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014, p. 25. The Job Commitment Bonus is a bonus payments to encourage long term unemployed young Australians to find and keep work. See Australian Government, Department of Human Services, http://www.humanservices.gov.au/customer/services/centrelink/job-commitment-bonus (accessed 18 November 2014).

Recommendation 1

2.60 The committee recommends that the bill be passed.

Senator Bridget McKenzie

Chair